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UNIDO TECHNICAL COOPERATION ACTIVITIES IN 1993

Development of a quality management system for UNIDO technical cooperation

Report by the Director-General

Summary

In response to Board decision IDB.11/Dec.8, reports on action taken and further action required for the introduction of a quality management system for UNIDO technical cooperation.

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Introduction

1. Pursuant to decision IDB.11/Dec.8 on UNIDO technical cooperation activities adopted by the Industrial Development Board at its eleventh session in July 1993, the Secretariat has recently intensified its work on the management of quality throughout the programme/project cycle to complete a draft quality management system for UNIDO technical cooperation activities comprising a set of defined responsibilities, procedures, methods and resources. The present document draws attention to the activities that have already been completed and those which will be carried out in the near future.

2. By the end of 1993, quality had been squarely placed at centre stage in the debate on UNIDO, its raison d'être, its future mandate. The issue of quality originally appeared at the fourth session of the UNIDO General Conference in 1991. Since then, increasing demands have been placed on UNIDO - both from inside the Organization and from Member States - to ensure the quality of technical cooperation projects of UNIDO in terms of concepts, approaches, inputs and developmental impact. The clients in the developing countries and the donor countries alike stressed the need for improved quality as supported by findings of UNIDO evaluation reports and of analyses carried out by various bilateral cooperation agencies.

3. In an endeavour to meet these concerns, the quality standards defined in 1991 - relevance, cost-effectiveness and sustainability - have been further elaborated and the methods of assessing their attainment have been determined (PPD.257). Obviously, the attainment of quality depends primarily on the capacity of UNIDO to identify, formulate and deliver the services that are specifically required by the client. To reach that goal, the purpose of the programme and the desired developmental impact of the target beneficiaries/population groups need to be focused on from the outset.

4. So that UNIDO can meet its own standards, a quality system for technical cooperation has

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been proposed on the basis of the principles set out in ISO 9004-2 (Guidelines for Service Organizations). A system of this kind requires the precise definition of quality-related responsibilities, procedures, methods and resources. It calls for a clear statement on the part of the Organization of its quality objectives and related policy that enjoy the full support and commitment of senior management. It also assumes that current personnel management policy will be reviewed to include a system of incentives and sanctions that are essential to staff motivation.

5. During the restructuring exercise that became effective 1 January 1994, and as part of the overall process reported on in the progress report by the Director-General on the policy framework of UNIDO - organizational and staff structure (document IDB.12/5), measures were taken to enhance the quality assurance system and broaden its application. To that end, quality assurance officers have been placed in the various implementing divisions. These officers will contribute to the coherent application of programme management and project planning methodologies from the very beginning to the end of the UNIDO service management cycle as well as ensure the maintenance of a quality system throughout the Organization. Quality assurance will thus not only be a determining factor at the outset of the project development process, but also a paramount feature throughout the delivery of services. It will also constitute a yardstick against which to measure developmental impact. In this latter context, project evaluation can provide analytical and objective feedback to management on the relevance, efficiency, effectiveness and sustained impact of UNIDO services for the purpose of enabling the improvement of the quality of design and delivery of current and future UNIDO services.

I. ACTION COMPLETED

6. The following activities had been completed by March 1994:

(a) The concept that UNIDO is a service organization supporting development programmes managed by developing countries, as derived from the UNIDO Constitution, was further elaborated (see "The improved management of development cooperation - A proposal for discussion" (PPD.257(SPEC.)) and discussed;

(b) Five development objectives to be achieved at the country level with UNIDO support have been identified (IDB.11/31-GC.5/23, paras. 39-46) and were approved by the General Conference at its fifth session (GC.5/Res.18);

(c) Quality standards and the methods for assessing relevance, cost-effectiveness and sustainability have been defined (GC.4/28, General Conference decision GC.4/Dec.11, Industrial Development Board decisions IDB.9/Dec.7 and IDB.10/Dec.9 and PPD.257(SPEC.));

(d) The quality management principles (IDB.11/31-GC.5/23, paras. 85-88) were approved by the General Conference (resolution GC.5/Res.1);

(e) The objective and the main requirements for the introduction of the quality system for technical cooperation and of the quality management system for the Organization as a whole were developed through an internal workshop held in February 1994 (details can be obtained from the Secretariat);

(f) A proposal for the service management process (technical cooperation cycle) was prepared in March 1994. These guidelines define the responsibilities and procedures applicable to the different stages of the service management process, as well as the roles and responsibilities of the different organizational units involved. The process will constitute an integral element of the Organization's quality management system;

(g) An outline for the preparation of country support strategies has been prepared, providing a framework for the identification and delivery of UNIDO services within its areas of concentration and in support of the countries' own efforts to achieve their industrial development goals.

II. FURTHER ACTION PLANNED

7. To complete the quality system for technical cooperation and to put it into effect, the following steps are to be undertaken in the immediate future:

(a) Detailed determination of the UNIDO areas of concentration and development of the related conceptual frameworks for the efforts of UNIDO to promote the achievement of the five development objectives at the country level;

(b) The precise delineation of responsibilities between the central Quality Assurance Unit and the outposted quality assurance officers to ensure the uniform application of established quality standards: relevance, cost-effectiveness and sustainability (see the programme and budgets, 1994-1995 (GC.5/14/Rev.1, paras. 3.7-3.11));

(c) Preparation of a quality manual as a point of reference for the identification, formulation and delivery of UNIDO services; it will contain the responsibilities, procedures and methods to ensure quality;

(d) Development and conduct of an intensive staff development and training programme for senior managers and other staff on the management of quality based on the project cycle management methodology;

(e) A revised system for the assessment of the performance of managers and other staff and for awarding credit for teamwork will have to be adopted.

8. For the above steps to be understood and applied by all managers and other staff, a participatory approach involving the responsible units and staff within the eight Divisions will be adopted. The need for precise and effective systems and procedures to implement, monitor, evaluate and audit the quality system will be reviewed.

III. ACTION REQUIRED OF THE BOARD

9. The Board may wish to take note of the present report.